

Procurement of a Design and Build Contract to deliver new build Extra Care and general needs housing schemes at Cartmell Drive South, Temple Newsam and Middlecross, Armley – implementation of Director decisions

Date: 18th October 2021

Report of: Council Housing Growth team

Report to: Director of City Development

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

The information contained in Appendix A attached to this report relates to the financial or business affairs of particular persons, or organisations, and of the Council. This information is not publicly available from the statutory registers of information kept in respect of certain companies and charities. It is considered that since this information was obtained through one to one negotiations between parties, it is not in the public interest to disclose this information at this point in time. Also it is considered that the release of such information would or would be likely to prejudice the Council's commercial interests in relation to other similar transactions in that prospective parties involved in other similar transactions could use this information to influence the level of consideration which may prove acceptable to the Council. It is therefore considered that this element of the report should be treated as exempt under Rule 10.4.3 of the Access to Information Procedure Rules.

What is this report about?

Including how it contributes to the city's and council's ambitions

- In July 2017, Executive Board approved a report which set out the Council's ambitions for providing extra care housing for older people with care and support needs across the city and approved the use of a number of council owned sites to support this programme.
- In June 2019, the Director of Resources and Housing approved a competitive dialogue procurement procedure in order to deliver two of the three Council schemes. This consisted of an extra care scheme for older people with care and support needs at the Cartmell Drive South site in the Temple Newsam ward (Scheme 1) within a larger general needs housing development on that site, together with another Extra Care scheme at Middlecross, Armley (Scheme 2).
- The Director of City Development approved the outcome of the evaluation process and the Project team recommendation to appoint ENGIE Regeneration as its preferred bidder to deliver the Cartmell Drive and Middlecross schemes in a report published on 10th June 2021.
- The Director also approved entering into an NEC4 Professional Services Contract (PSC) with Engie Regeneration to further develop their proposals for the Middlecross scheme, subject to a separate report being submitted to confirm costs and timescales. This report confirms the costs associated with implementing the Director's decision.
- The Director also approved 12 months of further gas monitoring and site investigations at Cartmell Drive, Halton Moor (scheme 1) before that scheme can proceed and the payment

of ENGIE Regeneration's tender fees in the amount of £25,000 (twenty five thousand pounds) as part of this contract award.

Recommendations

The Director of City Development is recommended to

- a) Approve entering into an NEC4 Professional Services Contract (PSC) with Engie Regeneration to further develop their proposals for the Middlecross scheme and for a further 12 months of gas monitoring and ground investigations to take place at the Cartmell Drive site;
- b) Approve the Middlecross PSC cost as a consequence of implementing the decisions set out in the previous report published on 10th June 2021:

Total for this PSC contract = £788,282.55

A detailed breakdown of this cost can be seen in 'Appendix A – PSC cost breakdown, (confidential)'.

Why is the proposal being put forward?

- 1 The approval of these costs will enable the Project Team to implement the Director's decisions and to progress the projects to the next stage.

What impact will this proposal have?

Wards affected:

Have ward members been consulted? Yes No

- 2 Extensive consultation has taken place in support of the overall extra care housing programme and on these schemes and was set out in detail in the report published on 10th June 2021.

What consultation and engagement has taken place?

- 3 Ward members for both Armley and Temple Newsam wards have been regularly updated on the scheme and key dates throughout the procurement and all members continue to be supportive of the schemes.
- 4 A full stakeholder management and communications plan will now be discussed and agreed with ENGIE Regeneration once contract award has been implemented. The Council will hold regular meetings with key stakeholders to keep them up to date with the scheme as well as email briefings to Ward Members.
- 5 A future briefing will be offered to relevant Ward Members to review ENGIE Regenerations' design proposals for both schemes prior to planning submission stage, in line with the agreed ward member engagement strategy.

What are the resource implications?

- 6 The resource implications were set out in the previous report published on 10th June 2021.

What are the legal implications?

- 7 The recommendations set out in this report are also being taken as a direct consequence of the previous Key Decisions and implement decisions made by the Director of City Development in a report published on 10th June 2021.
- 8 Whilst the implementation of the previous recommendations could be dealt with as administrative decisions in accordance with the Council's approved scheme of delegations, they have been set out in this report as if they were a further Significant Operational Decision, due to the value of the costs being committed at this stage, for the purpose of transparency.
- 9 Council Procurement and Legal advice was sought and they have confirmed support to the recommendations.

What are the key risks and how are they being managed?

- 10 A detailed project risk assessment was provided in the report published on 10th June 2021. There are no material changes to those reported at that time. Project risks will continue to be kept under review by the Project Team and reported or escalated as appropriate.

Does this proposal support the council's three Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

- 11 These schemes all directly contribute to the Council's targets and the details were set out in the report published on 10th June 2021.

Options, timescales and measuring success

What other options were considered?

- 12 The options appraisal was set out in the previous report published on 10th June 2021.

How will success be measured?

- 13 These schemes are currently anticipated to deliver 226 new homes which will directly contribute to the achievement of a number of the key performance indicators the Council will use to measure success including:
 - a) Growth in new homes in Leeds;
 - b) Number of affordable homes delivered;
 - c) Improved energy and thermal efficiency performance of houses; and
 - d) Number of households in fuel poverty

What is the timetable for implementation?

- 14 Following the approval of the previous report published on 10th June 2021, the Project Team issued letters to bidders confirming the outcome of the evaluation process and completed the legal standstill process during June/July 2021.
- 15 Following the standstill period, Engie Regeneration were appointed as preferred bidder and initial meetings were held to confirm costs and timescales for the Middlecross, Armley extra care housing scheme and the gas monitoring regime for Cartmell Drive, Halton Moor scheme.
- 16 The previous report published on 10th June 2021 set out the contracts proposed for managing the next stage of delivery for these schemes and these will now be implemented and an updated programme for delivery reported at the next approval stage.

Appendices

17 Appendix A – PSC cost breakdown (Confidential).

Background papers

18 None.